

REMARKS:

Claims 1-9, 11-19, 21-29 and 31-45 are presented for examination, with claims 1-3 and 38-41 having been amended hereby and claims 10, 20 and 30 having previously been cancelled (without prejudice or disclaimer).

Reconsideration is respectfully requested of the rejection of claims 1-9, 11-19, 21-29 and 31-45 under 35 U.S.C. 112, first paragraph.

On page 2 of the June 4, 2007 Office Action, the Examiner alleges that the “claims recite ‘a computer implemented method’ but the specification does not disclose any computer, machine or apparatus in order to performing [sic] the method claiming [sic]”.

Applicants respectfully disagree.

In this regard, the Examiner’s attention is directed, for example, to page 12, lines 6-14:

In another example, the issued Class B stock can also be convertible into Class A stock of the parent company 30, at the discretion of the Common “B” shareholders 80, upon the occurrence of certain pre-specified events or conditions, such as, but not limited to, a merger, acquisition, change of control, expiration of holding time period, etc. Any appropriate method can be utilized in determining conversion valuations. In one specific embodiment, a computer utilizing a software program can be utilized to assess the fair market value of the class “B” stocks for valuation and/or convertibility. (emphasis added)

In another example, at page 13, lines 9-14:

The issued debt can be limited recourse debt in cases involving a closed block business entity which is not a separate entity or non-recourse debt in cases involving a closed block business entity which is a separate entity. . In a specific embodiment, a computer with a software program may be utilized to calculate whether there are sufficient cash flow arising from the closed block business entity to service the debt. (emphasis added)

Therefore, it is respectfully submitted that the rejection of claims 1-9, 11-19, 21-29 and 31-45 under 35 U.S.C. 112, first paragraph, has been overcome.

Reconsideration is respectfully requested of the rejection of claims 1-9, 11-19, 21-29 and 31-45 under 35 U.S.C. 103(a) as allegedly being unpatentable over U.S. Patent 7,222,094 (hereinafter “Ross”).

Ross relates to a method for structuring an obligation. More particularly, Ross relates to a method for structuring an interest bearing obligation which is convertible into stock.

The Examiner asserts at pages 3-7 of the June 4, 2007 Office Action that that Ross discloses many of the elements of the claimed invention.

Applicants respectfully disagree with numerous aspects of the Examiner's analysis.

For example, each of the pending independent claims recites a closed block business entity owned by a holding company (a "closed block business entity" is defined in the specification at page 8 as follows: "For purposes of the present invention, a 'closed block business entity' means a business that is established with a specific amounts of reserve funds and/or other closed block assets and these reserve funds and/or assets can only be used with the closed block business entity for a specific purpose").

A review of Ross was undertaken and it is respectfully submitted that this reference does not include the term "closed block business entity".

Thus, it is respectfully submitted that at least this element of the claimed invention distinguishes over Ross.

Moreover, it is noted that there are a number of rather specific steps recited in each of the pending independent claims.

For example, independent claim 1 recites:

- "establishing a holding company as an owner of a closed block business entity, wherein the holding company is a subsidiary of a parent company, wherein an on-going business is a subsidiary of the parent company..."

In this regard, the Examiner asserts (at page 3 of the June 4, 2007 Office Action) that Ross discloses the following (found at col. 3, lines 60-65):

The stock may be stock in the issuer. The stock may be stock in an entity having a legal relationship with the issuer. The legal relationship may be selected from the group including, but not limited to: a) parent company; b) subsidiary; and c) holding company. The stock may be stock in an entity that is not legally related to the issuer. The stock may be in an entity whose stock is publicly traded.

While Ross does, of course, disclose various features related to structuring an interest bearing obligation which is convertible into stock (including, for example, the generic parent company/subsidiary/holding company possibilities identified above), it is respectfully submitted that

this reference does not show the specific ownership arrangement recited in independent claim 1 (nor, of course, the specific ownership arrangement similarly recited in each of the other independent claims).

In addition, under this novel ownership arrangement, the invention further provides (in claim 1) for a novel stock issuing arrangement as follows (of note, analogous stock-related arrangements are similarly recited in each of the other independent claims):

- “issuing a second class of stock in the parent company, wherein the second class of stock represents an ownership interest in the closed block business entity...”

Finally, regarding each of dependent claims 4-9, 11-19, 21-29, 31-37 and 45, it is noted that each of these claims depends (directly or indirectly) from one of independent claims 1, 2, 3, 38, 39, 40 and 41. Thus, each of these dependent claims 4-9, 11-19, 21-29, 31-37 and 45 is submitted to be patentably distinct for at least the same reasons as the independent claim from which it depends.

Therefore, it is respectfully submitted that the rejection of claims 1-9, 11-19, 21-29 and 31-45 under 35 U.S.C. 103(a) as allegedly being unpatentable over Ross has been overcome.

Accordingly, it is respectfully submitted that each rejection raised by the Examiner in the June 4, 2007 Office Action has been overcome.

Finally, it is noted that this Amendment is fully supported by the originally filed application and thus, no new matter has been added. For this reason, the Amendment should be entered.

Favorable reconsideration is earnestly solicited.

Respectfully submitted,
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